BUDGET RESOLUTION/Support of Medicare Solvency

SUBJECT:

Senate Concurrent Budget Resolution for fiscal years 1997-2002...S. Con. Res. 57. Exon second-degree perfecting amendment No. 4033 to the Gramm amendment No. 4009.

ACTION: AMENDMENT AGREED TO, 100-0

SYNOPSIS: As reported, S. Con. Res. 57, the Concurrent Budget Resolution for fiscal years 1997-2002, will balance the Federal budget in fiscal year (FY) 2002 by slowing the overall rate of growth in spending over the next 6 years to below the rate of growth in revenue collections. The rate of growth in entitlements such as Medicare, Medicaid, the Aid to Families with Dependent Children program, and the Earned Income Credit will be slowed. No changes will be made to the Social Security program, the spending for which will grow from \$348 billion in FY 1996 to \$467 billion in FY 2002. Defense spending will be essentially frozen at its present level.

The Gramm amendment would express the sense of the Senate: that the tax that President Clinton and congressional Democrats placed on Social Security benefits of senior citizens with incomes of \$34,000 or greater was a mistake and should be repealed; that it should be repealed in a manner that would not affect the Social Security or Medicare Part A trust funds; and that it should be repealed along with spending cuts in other programs to offset the revenue loss. The amendment is based on several findings, including that President Clinton and congressional Democrats originally proposed placing this new tax on senior citizens with \$25,000 or more in annual income.

The Exon amendment would strike all after the first word of the Gramm amendment, and in lieu thereof would insert language to express the sense of the Senate that no provisions in this Budget Resolution should worsen the solvency of the Medicare Trust Fund.

Those favoring the amendment contended:

The Congressional Budget Office has estimated that simply repealing the tax on Social Security benefits that was enacted in 1993

(See other side)

YEAS (100)				NAYS (0)		NOT VOTING (0)	
Republican (53 or 100%)		Democrats (47 or 100%)		Republicans (0 or 0%)	Democrats (0 or 0%)	Republicans	Democrats (0)
						(0)	
Abraham Ashcroft Bennett Bond Brown Burns Campbell Chafee Coats Cochran Cohen Coverdell Craig D'Amato DeWine Dole Domenici Fraircloth Frist Gorton Gramm Gramm Grams Grassley Gregg Hatch Hatfield	Helms Hutchison Inhofe Jeffords Kassebaum Kempthorne Kyl Lott Lugar Mack McCain McConnell Murkowski Nickles Pressler Roth Santorum Shelby Simpson Smith Snowe Specter Stevens Thomas Thompson Thurmond Warner	Akaka Baucus Biden Bingaman Boxer Bradley Breaux Bryan Bumpers Byrd Conrad Daschle Dodd Dorgan Exon Feingold Feinstein Ford Glenn Graham Harkin Heflin Hollings	Inouye Johnston Kennedy Kerrey Kerry Kohl Lautenberg Leahy Levin Lieberman Mikulski Moseley-Braun Moynihan Murray Nunn Pell Pryor Reid Robb Rockefeller Sarbanes Simon Wellstone Wyden			EXPLANAT 1—Official 1 2—Necessar 3—Illness 4—Other SYMBOLS: AY—Annou AN—Annou PY—Paired PN—Paired	ily Absent inced Yea inced Nay Yea

VOTE NO. 141 MAY 22, 1996

would hasten the insolvency date of the Medicare trust fund by a full year. One would expect that Senators who are concerned about Medicare's solvency would therefore be against the repeal of that tax. However, many of the same Senators who lately have been expressing concern about Medicare's solvency have said that they support the Gramm amendment, which would repeal the tax on Social Security benefits. We think our colleagues are being inconsistent, so we have offered the Exon amendment. The Exon amendment would make Senators go on record as saying that they do not want to hurt the solvency of Medicare. We urge the adoption of this amendment.

While favoring the amendment, some Senators expressed the following reservations:

The underlying Gramm amendment would not simply express the sense of the Senate that the Democrats' tax on Social Security benefits should be repealed; it would also express the sense of the Senate that the tax should be repealed in a manner that would not harm Medicare's solvency. The Exon amendment thus would add nothing to the determination expressed in the Gramm amendment to protect Medicare. However, it would take away a great deal from the Gramm amendment; in fact, it would strike all but the first word of the amendment, and would add back only a statement of support for Medicare. The Democrats' tax on senior citizens of limited means would remain firmly in place. We will vote in favor of the Exon amendment, but any Senators who think that they have managed to avoid a vote on whether the tax on Social Security benefits should be repealed are mistaken. After this vote, we will just reoffer our amendment to repeal this unjust tax as a second-degree amendment. At that point it will no longer be possible parliamentarily to stop a vote on our proposal. All the Exon amendment will do is cause a few minutes of delay.

No arguments were expressed in opposition to the amendment.